



Arnold Schwarzenegger
Governor

September 2, 2010
22M:SRD:1130:1131

Mr. Andrew Munoz, Executive Director
Orange County Community Services Agency
1300 S. Grand Avenue, Bldg. B, 3rd Floor
Santa Ana, CA 92705-4407

Dear Mr. Munoz:

AMERICAN RECOVERY AND REINVESTMENT ACT
FISCAL AND PROCUREMENT REVIEW
FINAL MONITORING REPORT
PROGRAM YEAR 2009-10

This is to inform you of the results of our review for Program Year (PY) 2009-10 of the the Orange County Workforce Investment Board's (OCWIB) financial management and procurement systems for activities funded by the American Recovery and Reinvestment Act of 2009 (ARRA) and Workforce Investment Act (WIA). This review was conducted by Ms. Karen Fuller-Ware and Ms. Sereena Delacuesta from May 3, 2010 through May 6, 2010. For the fiscal portion of the review, we focused on the following areas: fiscal policies and procedures, accounting system, reporting, program income, expenditures, internal control, allowable costs, cash management, cost allocation, indirect costs, cost/resource sharing, single audit and audit resolution policies and procedures for its subrecipients, and written internal management procedures. For the procurement portion of the review, we examined procurement policies and procedures, methods of procurement, procurement competition and selection of service providers, cost and price analyses, contract terms and agreements, and property management. In addition, we reviewed the membership of OCWIB's Local Workforce Investment Board and Youth Council.

Our review was conducted under the authority of Section 667.410(b)(1), (2) & (3) of Title 20 of the Code of Federal Regulations (20 CFR). The purpose of this review was to determine the level of compliance OCWIB with applicable federal and state laws, regulations, policies, and directives related to the WIA and ARRA grant regarding financial management and procurement for PY 2009-10.

We collected the information for this report through interviews with representatives of OCWIB, a review of applicable policies and procedures, and a review of documentation retained by OCWIB for a sample of expenditures and procurements for PY 2009-10.

BACKGROUND

For PY 2009-10, OCWIB was allocated: \$1,428,500 to serve 761 adult participants; \$3,311,538 to serve 455 youth participants; and \$5,618,066 to serve 1,908 dislocated worker participants.

For the quarter ending March 31, 2010, OCWIB reported the following expenditures and enrollments: \$1,428,500 to serve 897 adult participants; \$2,769,824 to serve 117 youth participants; and \$3,408,153 to serve 1,840 dislocated worker participants.

FISCAL REVIEW RESULTS

We conclude that, overall, OCWIB is meeting applicable WIA and ARRA requirements concerning financial management.

PROCUREMENT REVIEW RESULTS

We conclude that, overall, OCWIB is meeting applicable WIA and ARRA requirements concerning procurement.

In addition to the above review results for OCWIB's fiscal and procurement systems, we reviewed the membership of its Workforce Investment Board (WIB) and Youth Council (YC) for compliance. We found that OCWIB is meeting applicable WIA and ARRA requirements concerning WIB and YC membership.

This report contains no findings or concerns; therefore, we are issuing this report as the final report.

Because the methodology for our monitoring review included sample testing, this report is not a comprehensive assessment of all of the areas included in our review. It is OCWIB's responsibility to ensure that its systems, programs, and related activities comply with the WIA grant program, Federal and State regulations, and applicable State directives. Consequently, any deficiencies identified in subsequent reviews, such as an audit, would remain OCWIB's responsibility.

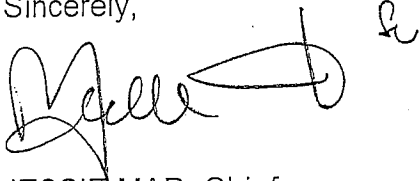
Mr. Andrew Munoz

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September 2, 2010

Please extend our appreciation to your staff for their cooperation and assistance during our review. If you have any questions regarding this report or the review that was conducted, please contact Ms. Jennifer Shane at (916) 654-1292.

Sincerely,

A handwritten signature in black ink, appearing to read "Jessie Mar", followed by a large, stylized flourish or checkmark-like stroke.

JESSIE MAR, Chief
Compliance Monitoring Section
Compliance Review Division

cc: Joyce Fong, MIC 50
Daniel Patterson, MIC 45
Jose Luis Marquez, MIC 50
Georganne Pintar, MIC 50